

Executive summary

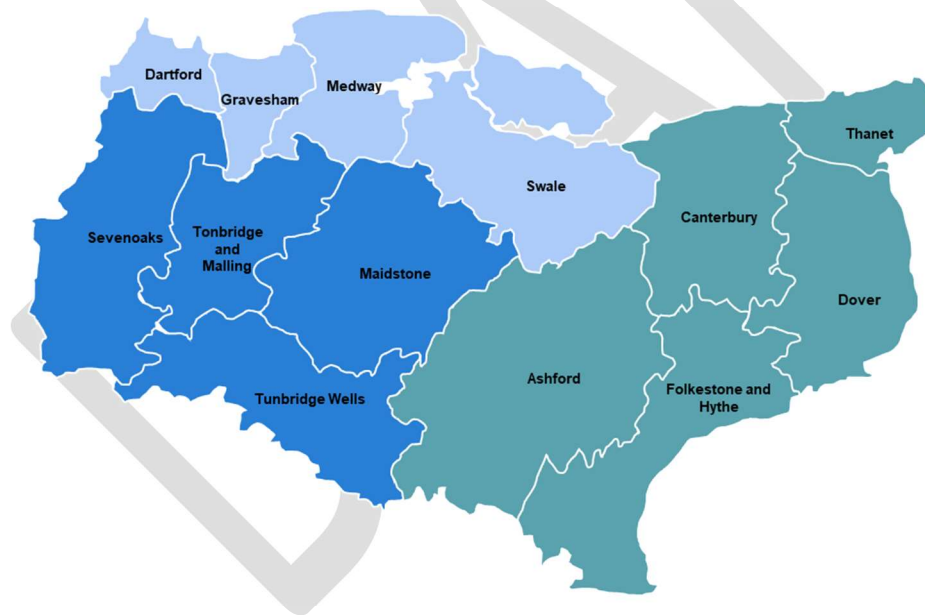
Introducing Option 3A

Supported by **[Councils to be inserted]**, the Option 3A business case sets out a three-unitary model for the Local Government Reorganisation of Kent & Medway.

Option 3A meets each of the Government's criteria for reorganisation, and in doing so, has the greatest savings potential, lowest one-off implementation costs and shortest estimated payback period. It allows for strong local accountability and ensures services reflect community needs, whilst achieving economies of scale and supporting fiscal stability.

The 3A model offers broadly balanced populations which align to local identities and creates unitary councils with the capacity to deliver and meet the needs of changing populations.

This model has alignment and support from the county's largest public sector partners, strengthening opportunities for place-based service development alongside social and health care integration and transformation, and wider public service reform. The model will allow for pan-Kent service provision and limit the costs of other public sector partners by reducing their requirement to realign, and forms a strong basis for future devolution.



"From the point of view of how policing is organised in Kent, I believe that if local government re-organisation is required, it should be with three unitary authorities, built on the existing District council boundaries and Kent Police's Divisional structure."

Kent Police and Crime Commissioner

	North Kent	West Kent	East Kent
Population	686,716	567,062	677,906
Current council areas	• Dartford • Gravesham • Medway • Swale	• Maidstone • Sevenoaks • Tonbridge & Malling • Tunbridge Wells	• Ashford • Canterbury • Dover • Folkestone & Hythe • Thanet
	A strategically important logistics and infrastructure hub, North Kent will drive economic growth through its proximity to London, major transport corridors (M25, M2), and international gateways like Ebbsfleet and the Port of Sheerness. It will focus on clean growth, advanced manufacturing, and professional services, with a diverse population and strong urban regeneration potential.	A knowledge-driven region with a high-quality environment that is well placed to leverage its skilled workforce, heritage assets, and green infrastructure to attract investment in life sciences, creative industries, and professional services. It shares a strong sense of identity, economic, social, and transport links, making it a coherent unit for governance while preserving local representation.	A diverse coastal and rural economy anchored by major ports and education hubs, East Kent will be the Gateway to Europe. It will focus on regeneration, tourism, creative industries, and green energy, supported by high-speed rail and strategic transport links. The area's rich heritage and cultural assets will underpin place-based growth.

Purpose and approach (see section 1)

The reorganisation of local government presents a valuable opportunity to redesign a system that better serves the diverse needs of Kent and Medway's residents.

The 14 councils of Kent have collaborated to develop a model reflecting established population and economic centres as well as community and workplace patterns.

Through this joint effort, the councils have developed five business cases addressing the government's six reform criteria, proposing to replace the current two-tier system with more efficient and resilient unitary authorities.

These authorities aim to support devolution, enhance service delivery and strengthen community engagement.

Each proposal is underpinned by a shared evidence base, robust governance, transparent appraisal and extensive stakeholder and public consultation to form a united and evidence-led vision for the future of local government in Kent and Medway.

Of the five options considered, Option 3A is being put forward as the preferred proposal in this case.

	Option 1a	Option 3a	Option 4b	Option 4d	Option 5a
					
Approach to drafting	Kent County Council leading with some shared input around finance and services.	Common approach to drafting with input from councils.			
Structure, formatting and branding	Separate structure, formatting and branding.	Single approach to structure, formatting and branding across four business cases. A significant proportion of content across the four cases will be shared and clearly highlighted within the cases.			

The Kent context (see section 2)

Kent, located in the south east of England, is a geographically diverse and economically important area.

Known as the Garden of England and the UK's Gateway to Europe, it covers 3,739 sq. km with a population of about 1.93 million.

The county combines densely populated urban centres with extensive rural areas.

Its landscape includes the North Downs, The Weald, and a long coastline featuring the White Cliffs of Dover. Rivers like the Thames, Medway and Stour support trade and settlement.

Economically, Kent has evolved from its agricultural roots into a modern, mixed economy encompassing manufacturing, logistics, life sciences, tourism and digital industries.

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Major assets include the Port of Dover, the Discovery Park science and technology hub and excellent transport links.

Kent's strategic location, skilled workforce and innovation hubs drive regional growth and support its case for devolution and local government reform.

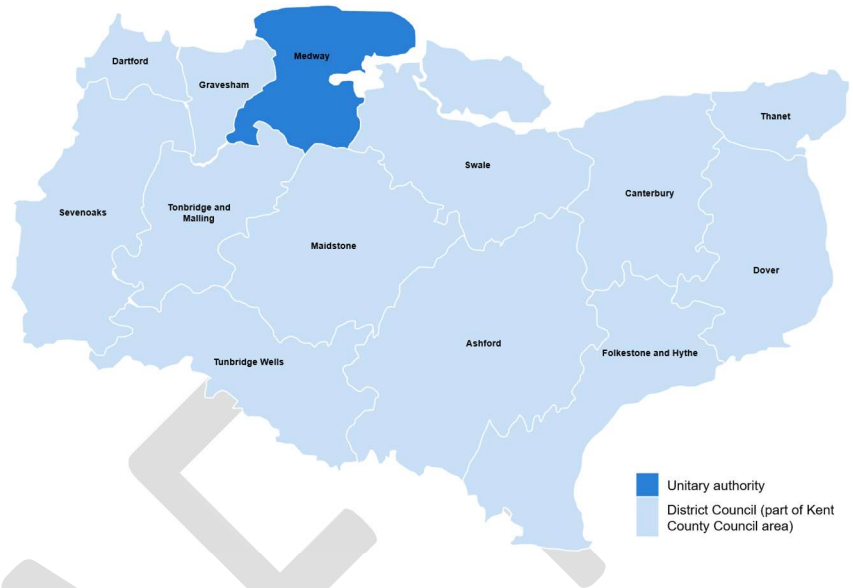
Kent currently has a two-tier local government system.

At the upper tier is Kent County Council, while the lower tier consists of 12 district and borough councils.

Medway Council functions separately as a unitary authority.

In addition, there are more than 300 town and parish councils handling local-level services.

The current mixed model of service delivery creates complexity and all 14 councils recognise the potential benefits of moving towards a single-tier system with fewer organisations and a more unified governance structure.



Challenges and opportunities (see section 3)

Councils across the county face financial pressures and rising demand.

In Kent, key pressures include:

- uneven funding and tax bases
- escalating social care and border-related costs
- workforce shortages and morale issues
- fragmented governance across the two-tier system

Local Government Reorganisation (LGR) offers a unique opportunity to create a more efficient, resilient and sustainable model.

By simplifying structures and pursuing devolution, Kent can streamline service delivery, strengthen financial stability, enhance collaboration across sectors, attract investment and build a greater sense of place to ensure more cohesive, accountable and community focused local government services.

Vision and principles for Local Government Reorganisation (see section 4)

Our vision for local government in Kent is:

Better outcomes for Kent residents through financially-sustainable and accountable local public services delivered in partnership with communities.

LGR is the catalyst for transformation and reform, creating resilient, digitally-enabled councils rooted in local identity and strong partnerships.

It is crucial that devolution and LGR are linked: structural reform unlocks the powers, funding and flexibility needed to make decisions locally and drive growth.

Kent's ambition is to deliver better outcomes for all residents through sustainable, accountable and community-focused public services.

All councils in Kent are united in their support for devolving powers to a single strategic authority.

This will ensure decisions about Kent are made in Kent, by those who know its communities best.

LGR and devolution are intrinsically linked. To fully realise our vision, we need the powers, funding and countywide collaboration that only a devolution deal and a new strategic Kent authority can provide.

We are committed to securing a devolution deal for Kent at the earliest possible opportunity.

Option 3A creates three strong councils and strikes the right balance between resilience, financial stability, efficiency and local connection. Guided by shared principles of resident focus, collaboration, digital innovation, and strong leadership, this proposal sets out a clear framework for a more responsive, cohesive, and future-ready system.

The case for Option 3A (see section 5)

Option 3A delivers balanced populations whilst respecting existing borough and district boundaries. It delivers strong alignment to transport networks, travel-to-work areas, local identity and public service geographies. The proposed unitary councils have the scale to ensure efficient coordination, improve capacity and withstand financial shocks, ensuring sustainable service delivery across provision.

The model aligns closely with health, police and fire service boundaries, reducing fragmentation and improving opportunities for co-ordination, integration and collaboration for system wide transformation. It is supported by major public service partners both for the benefits to day-to-day operational co-ordination and the potential to further develop and reinforce partnership, place-based working and longer-term integration, shared funding and transformational change. It preserves local identity while strengthening governance and resilience and lays the foundation for devolution and public sector reform.

Option 3A creates a simplified, efficient and community-focussed single tier structure, capable of delivering sustainable services and economic growth, driving up living standards and enabling good health creation. It is the most efficient and least disruptive option for Kent, with lower transition costs, and a shorter payback period than other multi unitary options, while meeting population requirements of government.

Three unitary councils creates financially sustainable and democratically accountable authorities, with sufficient scale to provide core services and the flexibility to meet the needs of the local population.

Summarised below are the key arguments for why Option 3A is best for Kent.

Key theme	Arguments	Government Criteria
Financial viability and balanced growth	• Scale supports economic resilience, including the ability to absorb shocks in high-pressure services i.e. demand for social care. • Balances tax bases and supports fair council tax harmonisation for long-term financial stability. • Larger councils (567k–687k residents) deliver the optimal scale for resilience and efficiency. • Consolidation from fourteen councils to three removes duplication, simplifies governance, and maximises savings. • Three proposed councils have broadly balanced economic strength, tax bases, and Gross Value Added (GVA) per capita, supporting sustainable growth and resilience. • Economies of scale in procurement, staffing, IT, HR, and infrastructure reduce duplication. • Transformation and digital investment enabled by scale and capacity. • Simplified governance improves financial oversight and transparency, reducing risk of inefficiency. • Simplified structures support strong partnership across unitary areas to collaborate on strategic issues, enabling service delivery on a pan-Kent basis. • Avoids boundary changes, limiting disruption and extra cost, time and risk. • Strong fiscal starting positions and balanced populations ensure capacity to manage pressures and withstand shocks. • Offers the best value for money, with the highest savings, lowest transition costs, and quickest payback period.	Criteria 1, 2, 3
Local identity and community cohesion	• Proposed boundaries align with historic, cultural, and service geographies, preserving local identity and social cohesion across North, West and East Kent. • Recognisable community ties are maintained (e.g. Cinque Ports, coastal towns, market towns) supporting continuation of local traditions, civic institutions, and community networks. • Alignment with 'Travel to Work' areas supporting coherent economic geographies for housing, infrastructure, study patterns and labour markets. • Enables coordinated housing, transport, and infrastructure planning at a meaningful scale, with critical UK port of entry points contained within one council able to support communities effectively when disruption occurs.	Criteria 1, 3, 4, 6
Population, governance and democratic accountability	• Population densities vary logically (urban vs rural), allowing tailored service priorities (e.g. urban regeneration vs green infrastructure). • Streamlined governance structure strengthens ability to engage effectively at an appropriate scale with central government and regional bodies.	Criteria 1, 2, 3

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- Broadly balanced populations across unitary areas.
- Councillor-to-electoral ratios in line with ratios seen nationally through recent LGR programmes ensuring democratic accountability.
- Well-developed governance arrangements and effective structural and policy measures that enhance neighbourhood and community engagement.
- Ensures councillors and residents have meaningful influence over local services and priorities.

Better, More Integrated Public Services

- Aligns boundaries with NHS, Police, transport, and travel to work / study areas to improve coordination and consistency.
- Existing partnerships and shared services enhance capacity and reduce fragmentation, supporting public service reform. Services disrupted by LGR will be actively managed and adapted to maintain continuity and effectiveness.
- Scale, capacity and alignment of place-based and people services to deliver prevention and complex reforms in social care.
- Larger, strategically aligned councils can plan and deliver jointly on community safety, health, housing, and care.
- Enhances data sharing, specialist capacity, and system-wide collaboration to tackle shared challenges across unitary areas.
- Unites Dover, Folkestone and Ashford to provide for coherent oversight of the county's strategic road and rail entry ports.

Criteria 1, 3, 4

Platform for Devolution, Strategic Growth and Regional Priorities

- Balanced unitary authorities meet the population scale for effective devolution and efficient delivery.
- Supports fair representation and joint decision-making within a future Mayoral Strategic Authority.
- Provides sufficiently sized areas for strategic planning to meet priorities including housing targets, economic growth and supporting integration with preventative and integrated care.

Criteria 5

Implementation plan (see section 6)

Kent's LGR implementation plan aims to follow a phased and collaborative approach across all councils, leveraging a well-established shared programme with strong governance and joint planning.

The process is structured into preparation, foundational, shadow authority, officer leadership and go-live phases, each with clear priorities to ensure a smooth transition while driving ambitious public service reform alongside devolution.

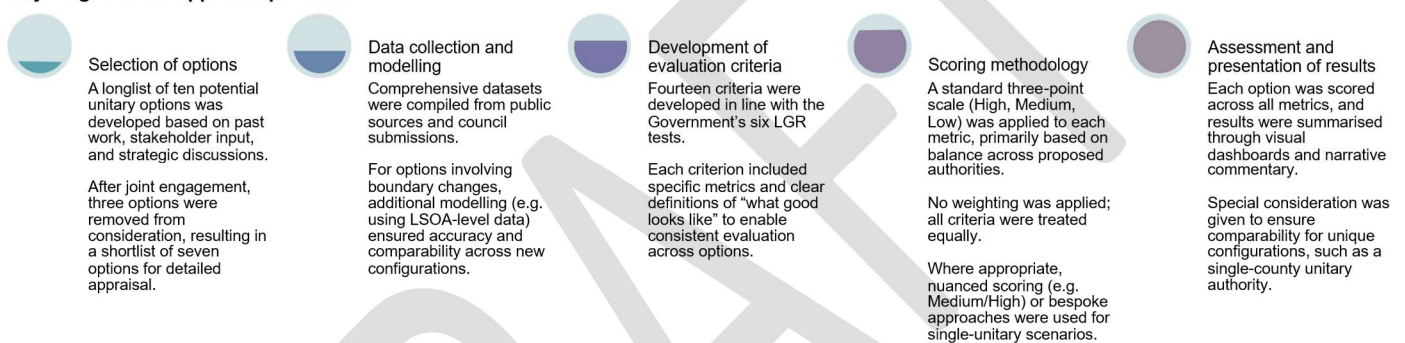
The programme builds on Kent's history of joint working and lessons from previous LGR efforts, supported by targeted governance, workstreams and stakeholder engagement to mitigate risks related to service disaggregation, aggregation, ICT and working together, aiming for a seamless, efficient transition that benefits residents and public services over the long-term.

Options appraisal (see Appendix 1)

A rigorous and collaborative process undertaken by the 14 Kent local authorities to appraise potential council governance options. The aim was to provide a robust, consistent, and evidence-based foundation to support local decision-making on which options should advance to full business case development.

The appraisal followed national guidance and was aligned with the Government's six criteria for local government reorganisation, as set out in correspondence from the Secretary of State in February and June 2025. Importantly, the process did not rank or recommend any preferred option but provided a shared evidence base to inform council decisions.

Key stages of the appraisal process:



Council Leaders reviewed the appraisal findings, supported by resident and stakeholder views. While the appraisal did not determine a preferred option, it served as an objective and structured basis for informed political judgement and democratic decision-making on which options should proceed to business case development.

Financial modelling (see Appendix 2)

Finance officers across all 14 Kent councils have reviewed and adjusted the financial modelling in order to provide a single financial assessment of models for inclusion in proposals to government.

The key driver of difference between options are the number of councils being proposed.

Due to the assumptions applied within the modelling, implementation costs and recurring costs of disaggregation increase as the number of councils proposed increases.

The headline numbers for Option 3A are set out below:

LGR option	Implementation costs (one-off) (£m)	Reorganisation savings (gross) (£m)	Disaggregation costs (£m)*	Recurring annual revenue savings (£m)**	Estimated payback period
Option 3A	(127.8)	69.4	(19.7) - (29.2)	40.2 - 49.7	5.4 – 6.7 years

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**A range has been applied specifically for disaggregation costs following collaborative discussions around different scenarios for the impact of LGR on commissioned spend across adult and children's social care.*

***Recurring revenue savings = gross reorganisation savings less disaggregation costs*

The three-unitary option is the proposal which offers best value, with the highest savings, lowest transition costs, and quickest payback period. This model supports larger taxbases and, in line with the financial modelling, requires lower disaggregation and transition costs while offering greater opportunities for economies of scale.

Of all the options being considered, 3A provides the most balanced population distribution, promoting resilience and strategic capacity. Each authority is sized to efficiently deliver services, withstand financial pressures, and invest in transformation, while remaining closely connected to local communities. The model also avoids boundary changes, which would inevitably be associated with increased costs, risk and complexity.

The model is designed to absorb future shocks and manage demand in high-pressure services such as adult social care and children's services and has the potential to support strengthened integration and partnership working across public sector services developing innovative and coordinated responses to areas such as homelessness.

Alignment with partner structures supports public service reform and provides a firm basis for future devolution.

"...our preference would be for the smallest number of unitary councils to minimise infrastructure costs and the risk of fragmenting services."

NHS Kent and Medway

Data sources (see Appendix 3)

A common data set was used for all analyses presented in this case.

Details of the data set including its source, structure and variables, are provided in Appendix 3.